

Message Text

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PAGE 01 MTN GE 02530 041440Z
ACTION STR-04

INFO OCT-01 STRE-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15 ITC-01
TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 ISO-00
/074 W

-----041452Z 052405 /53

P R 041413Z APR 77
FM USDEL MTN GENEVA
TO SECSTATE WASHDC PRIORITY 2374
INFO USMISSION EC BRUSSELS

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ACTION STR

H PASS CODEL

STR FOR WILLIAM KELLY

E.O. 11652: N/A
TAGS: ETRD, MTN
SUBJ: INFORMAL DISCUSSION WITH EC ON NEGOTIATION OF WINE
GALLON/PROOF GALLON AND SERVICES IN MTN

REF: () MTN GENEVA 2169; (B) MTN GENEVA 9957

1. IN INFORMAL CONVERSATION WITH THE EC DELS (ABBOTT, DUGIMONT, PERROY), ABBOTT STRESSED THE EC'S INTEREST IN NEGOTIATIONS ON US WINE GALLON/PROOF GALLON METHOD OF ASSESSMENT OF CUSTOMS DUTIES AND EXCISE TAXES ON DISTILLED SPIRITS. ABBOTT BELIEVES THAT THE DISCUSSIONS IN THE US/EC AGRICULTURE CONSULTATIONS (REFTEL) WERE HIGHLY SUPERFICIAL AND WOULD NOT LEAD TO ANY SUBSTANTIVE NEGOTIATIONS ON THE TOPIC. ABBOTT RECOGNIZED
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THAT THE US DOES NOT NECESSARILY CONSIDER DISTILLED SPIRITS TO BE AGRICULTURAL PRODUCTS, AND PROBED THE US DEL ON THE BEST PROCEDURAL COURSE OF ACTION TO FOLLOW SO THAT THE US COULD BE ENGAGED IN SUBSTANTIVE NEGOTIATIONS. HE INDICATED THAT THE COMMISSION DELEGATION HAS PREPARED EXTENSIVE MATERIAL ON THE SUBJECT AND IS IN A POSITION TO HAVE DETAILED DISCUSSIONS, NOT ONLY

ON PROBLEMS WHICH THEY HAVE ENCOUNTERED BUT ALSO ON POSSIBLE SOLUTIONS. US DEL (NEWKIRK) STATED THIS MEASURE WAS OF CONSIDERABLE INTEREST TO A NUMBER OF COUNTRIES (SEE REF B FOR CANADIAN INTEREST) AND THAT PERHAPS THE MOST PRODUCTIVE COURSE OF ACTION AT THIS STAGE MIGHT BE TO HAVE THE EC INDICATE THE EXTENT OF ITS INTEREST, AND TO DISCUSS THIS MATTER INFORMALLY IN A SMALL GROUP. HE NOTED THAT EC CONCERNS WITH THIS MEASURE ARE FAMILIAR TO US BUT THAT THE METHOD OF TAX ASSESSMENT IS NOT ONLY SIGNIFICANT TO DOMESTIC BOTTLERS AND PRODUCERS BUT IS ALSO AN IMPORTANT REVENUE SOURCE. FURTHERMORE, ANY ATTEMPT TO CHANGE THIS PRACTICE WOULD REQUIRE A MAJOR CONGRESSIONAL EFFORT. ABBOTT RECOGNIZED THE SIGNIFICANCE OF THIS ISSUE, AND FAVORED THE IDEA OF AN INFORMAL PLURILATERAL MEETING WITHOUT REFERENCE TO PROCEDURES. FIRST, HOWEVER, IT WILL BE NECESSARY FOR HIM TO RESOLVE CERTAIN DIFFICULTIES WITHIN THE COMMISSION.

2. ABBOTT INQUIRED WHETHER THE US IS CONTEMPLATING NATIFYING ANY SERVICE MEASURES UNDER THE NTM PARENT GROUP PROCEDURES FOR NON-TARIFF MEASURES NOT DEALT WITH MULTILATERALLY. THE EC IS CONTEMPLATING NOTIFICATION OF SUCH MEASURES WHICH HAVE A DIRECT IMPACT ON TRADE. (FYI: SEVERAL SUCH NOTIFICATIONS HAVE BEEN PREPARED BY THE EC GENEVA DEL, BUT HAVE NOT YET BEEN CLEARED IN BRUSSELS. END FYI.) AN EXAMPLE ABBOTT PROVIDED WAS DISCRIMINATORY TAXES/TARIFFS BASED UPON WHETHER IMPORTS ARE SHIPPED ON DOMESTIC OR FOREIGN CARRIERS. NEWKIRK RESPONDED THAT THE QUESTION OF INCLUSION OF SERVICES LIMITED OFFICIAL USE

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IS UNDER ACTIVE REVIEW IN WASHINGTON AND NO FINAL DECISION HAD BEEN MADE ON THE SUBJECT.WALKER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, TRADE CONTROLS, ALCOHOLIC BEVERAGES, REGIONAL ORGANIZATIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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ISecure: 1
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